

Message Text

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ACTION SS-25

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C O N F I D E N T I A L DAMASCUS 2475

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EXDIS

FOR SISCO FROM AMBASSADOR

E.O. 11652: GDS
TAGS: EFIN, SY, US
SUBJ: NEGOTIATING CLAIMS AGAINST SYRIA

REF: A. STATE 234932; B. STATE 235236

1. CARRYING OUT FULL INSTRUCTIONS AS CONTAINED STATE
REF B MIGHT ADD TO SECRETARY'S DIFFICULTIES BUT IN ANY
CASE I CONSIDER IT WOULD NOT BE TO OUR ADVANTAGE TO TRY
TO ADVANCE SETTLEMENT OF ALL CLAIMS IN NEAR FUTURE.

2. AT KHADDAM'S REQUEST I PREPARED A SUMMARY OF OUR
CLAIMS BASED ON MATERIAL FURNISHED BY THE DEPARTMENT IN
SEPTEMBER AND, FOLLOWING HIS RETURN FROM UNGA, PRESENTED
HIM WITH ALL WE THEN HAD IN HAND IN WAY OF SUPPORTING
DATA. THIS MEETING OCCURRED SUBSEQUENT TO SECRETARY'S LAST
VISIT TO DAMSCUS. I FURNISHED IDENTICAL MATERIAL
TO MINISTER OF ECONOMY IMADI AND DEPUTY PRIME MINISTER
HAYDA. IN ALL CASES MY COVERING LETTER EMPHASIZED "WE
WILL APPROACH THESE CLAIMS IN THE SPIRIT OF FRIENDSHIP AND
UNDERSTANDING WHICH CHARACTERIZES RENEWED US-SYRIAN
RELATIONS." I BELIEVE THAT OUR GENERAL POINT
HAS ALREADY BEEN ABSORBED BY THESE KEY FIGURES IN THE SARG
HIERARCHY; VIZ., BEFORE US CAN OFFER ANY NEW ASSISTANCE
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WE MUST MAKE SOME PROGRESS TOWARDS SETTLEMENT OF THESE OUT-

STANDING CLAIMS. I KNOW THAT KHADDAM AT LEAST HAS NOT HAD THE TIME TO FOCUS ON THIS PRELIMINARY SUMMARY OF OUR CLAIMS. IMADI TELLS, ME, HOWEVER, THEY ARE UNDER STUDY IN OTHER MINISTRIES.

3. I CONTINUE TO VIEW IMADI AS OUR BEST GUIDE ON THE WHOLE CLAIMS ISSUE. HE IS NOT ONLY PROBABLY THE GOVERNMENT'S MOST KNOWLEDGEABLE ECONOMIST BUT THE CABINET MINISTER BEST ACQUAINTED WITH USG PROCEDURES. HHE ALSO IS THE CLOSEST THING WE HAVE HERE TO A "FRIEND IN COURT" IN DEALING WITH SUCH PROBLEMS. HIMSELF MARRIED TO AN AMERICAN, HE IS DEEPLY INTERESTED IN SEEING A NEW AND CLOSER RELATIONSHIP FLOURISH BETWEEN DAMASCUS AND WASHINGTON. THUS I INTEND TO TAKE AS A GENERAL GUIDELINE HIS ADVICE OF LAST SUMMER TO SCOTES, WHICH IMADI REITERATED TO ME TODAY IN THE COURSE OF DISCUSSING OTHER SUBJECTS: US SHOULD NOT PRESS FOR SETTLEMENT OF OLD CLAIMS UNTIL WE ARE CLOSE TO SIGNING UP FOR NEW ASSISTANCE.

4. THE ONLY IMMINENT NEW ASSISTANCE ON THE HORIZON IS PL-480. THIS, THEREFORE, IS THE ONLY CLAIM (PL-480 BALANCES) WHICH I WOULD FIND IT PROFITABLE TO PRESS TO RESOLVE IN THE COMING FOUR WEEKS. SARG WANTS TO CONCLUDE A DEAL RAPIDLY FOR WHEAT AND RICE SINCE IT MUST GO ONTO THE WORLD COMMERCIAL MARKET BEFORE YEAR'S END, PARTICULARLY TO PURCHASE WHEAT. I PLAN COACH BOTH NOOTER AND THE PL-480 NEGOTIATORS TO REMIND SARG OF THE NEED TO DEAL WITH OLD PL-480 CLAIMS BEFORE EXPECTING TO FINALIZE A NEW PL-480 SALE. THIS IS THE ONLY CLAIM WHICH I BELIEVE STANDS THE PROSPECT OF WINNING QUICK SYRIAN AGREEMENT SINCE THEY ARE SO EAGER TO SIGN A NEW PL-480 AGREEMENT.

5. ASSUMING THAT THE SECRETARY WILL HAVE COME AND GONE FROM DAMASCUS BY NOVEMBER 15, I CAN STATE FLATLY I SEE NOT ONLY NO NEED BUT ALSO NO ADVANTAGE TO BE GAINED BY PRESSING FOR FORMAL NEGOTIATIONS ON ALL OUR CLAIMS BEFORE THAT DATE. AFTER ALL, NOOTER WILL NOT START TALKS HERE UNTIL NOV 1. THE PL-480 NEGOTIATORS HAVE AGREED TO DELAY THEIR ARRIVAL UNTIL NOOTER HAS COMPLETED HIS TALKS. THOSE NEGOTIATORS WOULD BE HERE FOR SEVERAL DAYS BEGINNING NOVEMBER 6. SECRE-
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TARY BUTZ ARRIVES NOVEMBER 11, DEPARTING NOVEMBER 13. I HAVE ALREADY WARNED THE DEPARTMENT THAT THE PL-480 NEGOTIATORS WILL FIND NO CORPORATE MEMORY ABOUT PL-480 PROCEDURES AND REQUIREMENTS. TO AVOID GIVING A "TAKE IT OR LEAVE IT" IMPRESSION BY OUR SIDE, I WANT THEM TO SPEND AS LONG AS WILL BE NECESSARY IN DAMASCUS TOUCHING BASES WITH ALL SYRIAN OFFICIALS WHO WILL BE INVOLVED INCLEARING OFF ON THE NEW AGREEMENT.

6. I HAD EARLIER FELT THAT IT MIGHT BE RISKY BRINGING SECRETARY BUTZ HERE FROM CAIRO WHERE HE WOULD HAVE JUST SIGNED A PL-480 AGREEMENT, IF HE WERE UNABLE TO MAKE SOME SIMILAR COMMITMENT WHILE IN DAMASCUS. I NOW CONSIDER THAT WITH MOMENTUM ESTABLISHED BY NOOTER, SUSTAINED BY THE PRESENCE OF THE PL-480 NEGOTIATORS, WE CAN STAGE SECRETARY BUTZ'S VISIT SUCCESSFULLY AND WE WILL BENEFIT FROM IT AS EVIDENCE OF OUR CONCERN TO PROMOTE SYRIAN-US TIES.

7. SUBJECT TO YOUR APPROVAL, WOULD PROPOSE ANSWERING REF B ALONG THE ABOVE LINES. IN YOUR REPLY WOULD YOU ALSO PLEASE ADVISE RE CORRECTNESS MY ASSUMPTION THAT THE PERIOD YOU ARE MOST CONCERNED ABOUT IS BETWEEN NOW AND MID-NOVEMBER. I SEE NO TROUBLE PLAYING CLAIMS NEGOTIATIONS IN LOW KEY THROUGH THAT PERIOD; IN FACT WITH EXCEPTION OF THE PL-480 CLAIM AND POSSIBLY THE EX-IM CLAIM, I SEE NO ADVANTAGE IN A FULL-SCALE DISCUSSION OF OTHER CLAIMS FOR THE PERIOD AT LEAST TWO MONTHS AHEAD, ASSUMING NEW AID LEGISLATION WILL NOT BE ENACTED BY THIS CONGRESS.
MURPHY

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